

## Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 IO-13 ISO-00 CIAE-00 DODE-00 PM-04  
H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01  
SP-02 SS-15 USIA-06 OMB-01 TRSE-00 /082 W  
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P 281007Z APR 77

FM AMCONSUL JOHANNESBURG  
TO SECSTATE WASHDC PRIORITY 5924  
INFO AMCONSUL CAPE TOWN  
AMCONSUL DURBAN  
AMEMBASSY PRETORIA  
AMEMBASSY LONDON  
USMISSION USUN NEW YORK  
AMEMBASSY GABORONE  
AMEM ASSY MBABANE  
AMEMBASSY MASERU

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CAPE TOWN FOR EMBASSY

E.O. 11652: N/A  
TAGS: SF, PINS, PINT  
SUBJECT: SOWETO RENT INCREASES -- A LOOK AT THE ISSUE

1. THE LATEST SPARK THAT THREATENS THE UNEASY PEACE IN SOWETO AND OTHER REF TOWNSHIPS IS THE QUESTION OF RENT ICREASES ORDERED BY THE WEST RAND ADMINISTRATION BOARD (WRAB), THE GOVERNING BODY OF SOWETO, AND SECONDED BY OTHER TOWNSHIP ADMINISTRATONS. THE WRAB SENT NOTICES TO RESIDENTS THAT HOUSE RENTALS (VIRTUALLY ALL TOWNSHIP HOUSING FOR BLACKS IS OWNED BY AUTHORITIES SUCH AS THE WRAB) WILL BE INCREASED AN AVERAGE OF 60 TO 80 PERCENT BECAUSE OF LARGE DEFICITS INCURRED IN THE ADMINISTRATION OF SOWETO, AND EXACERBATED BY THE JUNE 1976 DISTURBANCES. WRAB CLAIMS THEY OPERATED LAST YEAR WITH A 11 MILLION RAND (12.6 MILLION DOLLAR) DEFICIT, DUE AT LEAST PARTLY TO LIMITED OFFICIAL USE

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THE FACT THAT THEY WERE DEPRIVED OF A PRIMARY SOURCE OF REVENUE WHEN WRAB-RUN LIQUOR OUTLETS AND BEERHALLS WERE BURNED DOWN.

2. IN REPLY, BLACKS OBJECT NOT ONLY TO THE SIZE OF THE PROPOSED INCREASE (RAISING THE MONTHLY RENT OF A STANDARD SOWETO HOUSE FROM R6.25 TO R11.50) BUT TO THE MANNER IN WHICH IT HAS BEEN IMPOSED.

AN INCREASE OF FIVE RAND PER MONTH IS KEENLY FELT BY MOST BLACKS BECAUSE OF LOW SALARIES, LARGE NUMBERS OF UNEMPLOYED, AND COST OF LIVING RAISES THAT CONTINUE TO SQUEEZE THE BLACK MAN'S STANDARD OF LIVING. COUPLED WITH RECENTLY ANNOUNCED INCREASES IN CORN MEAL (STAPLE OF THE BLACK DIET) AND COAL (PRINCIPAL SOURCE OF ENERGY IN BLACK HOMES), THE RENT HIKE IS VIRTUALLY INTOLERABLE FOR THE AVERAGE BLACK FAMILY. ADDED TO THIS WAS THE IMPLICATION FELT BY MANY BLACKS THAT THE RENT INCREASES WERE SOMEHOW 'PUNISHMENT' FOR THE DAMAGE INFLICTED ON WRAB FACILITIES LAST JUNE.

3. COMMENT. MANY PEOPLE AGREE THAT TOWNSHIPS LIKE SOWETO DO NOT HAVE THE FINANCIAL BASE NECESSARY TO GENERATE ADEQUATE REVENUES FOR MUNICIPAL PROGRAMS. THE DILEMMA OF THE WRAB, THAT IT MUST COVER EXPENDITURES FROM REVENUES DRAWN FROM THE TOWNSHIP, MEANS THAT UNTIL THE EARNING POWER OF SOWETO'S RESIDENTS IS UPGRADED OR THE MUNICIPAL AUTHORITY SUBSIDIZED WITH EXTERNAL REVENUES, THEN CRISIS SUCH AS THIS ONE WILL BECOME RECURRENT.

KIRBY

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## Message Attributes

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**Channel Indicators:** n/a  
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**Disposition Date:** 22 May 2009  
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